

Exhibit 12

**NATIONAL MILK PRODUCERS FEDERATION**  
**COMPARISON of FEDERAL ORDER REFORM CLASS IV and CALIFORNIA CLASS 4a BUTTERFAT VALUES**

	FED. ORDER REFORM CLASS IV	CALIFORNIA 4a	DIFFERENCE ORD vs. CA
	<u>\$ per pound of fat</u>		
Jan-99	1.5871	1.5449	0.0422
Feb	1.4444	1.4076	0.0368
Mar	1.4486	1.3636	0.0850
Apr	1.1000	1.0674	0.0326
May	1.1757	1.1676	0.0081
Jun	1.6426	1.6276	0.0150
Jul	1.5430	1.4264	0.1166
Aug	1.5296	1.5053	0.0243
Sep	1.4771	1.4318	0.0453
Oct	1.2357	1.1729	0.0628
Nov	1.1582	1.1136	0.0446
Dec	0.9804	0.9186	0.0618
1999 Avg	1.3602	1.3123	0.0479

Why December Butterfat Values are Different:

Federal Order Reform System

Manufacturing Allowance

= (Nass Grade AA Survey Price - 0.114) / .82

**Dec Grade AA Survey Price =0.9180**

Value per Pound of Fat =0.9804

California

Manufacturing Allowance

= (CME Grade AA Price - 0.097 - 0.045) x 1.2

**Dec CME Grade AA Price =0.9075**

Transportation Adjustment = -0.045

Value per Pound of Fat =0.9186

Why is California's Price \$0.062 Lower in December When Compared to Reform Price?

	<u>\$ per pound of fat</u>
1) Grade AA Price is \$0.0105 lower, which lowers fat price by	-0.0126
2) Difference in make allowance increases fat price by	0.0204
3) Transportation adjustment lowers fat price by	-0.0540
4) Difference in yield factors lowers fat price by (CA =4.2 and FMMO = 4.2686)	-0.0158

Why is California's Price Average \$0.048 Lower than Reform Price for 1999?

1) Grade AA Price is \$0.0062 higher, which increases fat price by	0.0074
2) Difference in make allowance increases fat price by	0.0204
3) Transportation adjustment lowers fat price by	-0.0540
4) Difference in yield factors lowers fat price by	-0.0218